## AMENDED IN ASSEMBLY MARCH 18, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## **ASSEMBLY BILL**

No. 2626

## **Introduced by Assembly Member Jones**

February 19, 2010

An act to add Sections 12921.65 and 12964 to the Insurance Code, relating to insurance. An act to amend Section 831.4 of the Penal Code, relating to public officers.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2626, as amended, Jones. Insurance: commissioner: filings: reporting. County of Sacramento: Sheriff's security officers.

Under existing law a sheriff's or police security officer is a public officer whose duties are limited to the physical security and protection of properties owned, operated, controlled, or administered by a city or county, or by a municipality or special district contracting for police services, and specified other duties.

This bill would expand the duties of a security officer employed by the Sheriff of the County of Sacramento to include the security and protection of the property of an entity whose primary business supports national defense, or whose facility is qualified as national critical infrastructure, or who stores or manufactures material that, if compromised, would compromise national security or pose a danger to residents of the County of Sacramento.

Existing law requires the Insurance Commissioner to approve or disapprove certain insurance rates and insurance policies. Existing law requires the commissioner to make certain reports annually to the Governor and the Legislature.

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This bill would require the commissioner, within 45 days of insurance rate change applications or policy filings for specified insurance types, to notify the insurer of any known defects in its filings. The bill would require that, beginning January 1, 2012, and annually thereafter, the commissioner report specified information concerning insurance rate change applications and policy filings to the Department of Finance.

Vote: majority. Appropriation: no. Fiscal committee: <u>yes-no</u>. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 831.4 of the Penal Code is amended to 2 read:

831.4. (a) (1) A sheriff's or police security officer is a public officer, employed by the sheriff of a county or police chief of a city, whose primary duty is the security of locations or facilities as directed by the sheriff or police chief. The duties of a sheriff's or police security officer shall be limited to the physical security and protection of properties owned, operated, controlled, or administered by the county or city, or any municipality or special district contracting for police services from the county or city pursuant to Section 54981 of the Government Code, or necessary duties with respect to the patrons, employees, and properties of the employing county, city, or contracting entities.

- (2) In addition to the duties in paragraph (1), the duties of a security officer employed by the Sheriff of the County of Sacramento may also include the physical security and protection of any properties owned, operated, or administered by any public agency, privately owned company, or nonprofit entity, whose primary business supports national defense, or whose facility is qualified as national critical infrastructure under federal law or by a federal agency, or who stores or manufactures material which, if stolen, vandalized, or otherwise compromised, may compromise national security or may pose a danger to residents of the County of Sacramento.
- (b) A sheriff's or police security officer is not a peace officer nor a public safety officer as defined in Section 3301 of the Government Code. A sheriff's or police security officer may carry or possess a firearm, baton, and other safety equipment and weapons authorized by the sheriff or police chief while performing

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the duties authorized in this section, and under the terms and conditions specified by the sheriff or police chief. These persons may not exercise the powers of arrest of a peace officer, but may issue citations for infractions if authorized by the sheriff or police chief.

- (c) Each sheriff's or police security officer shall satisfactorily complete a course of training as specified in Section 832 prior to being assigned to perform his or her duties. Nothing in this subdivision shall preclude the sheriff or police chief from requiring additional training requirements.
- (d) Notwithstanding any other law, nothing in this section shall be construed to confer any authority upon any sheriff's or police security officer except while on duty, or confer any additional retirement benefits to persons employed within this classification.

SECTION 1. It is the intent of the Legislature to do all of the following:

- (a) Increase the speed the Department of Insurance takes to approve and disapprove insurance rate change applications and policy filings by insurers.
- (b) Increase the completeness of the insurance rate change applications and policy filings by insurers with the department.
- (c) Identify the true costs to the department associated with approving and disapproving insurance rate change applications and policy filings by insurers.
- SEC. 2. Section 12921.65 is added to the Insurance Code, to read:
- 12921.65. (a) Within 45 days of an insurance rate change application or policy filing, for the insurance types described in subdivision (b), the commissioner shall notify the insurer of any known defects in its filing.
- (b) This section shall only be applicable to all of the following insurance types:
- (1) Reinsurance, other than joint reinsurance to the extent stated in Article 5 (commencing with Section 1856) of Chapter 9 of Part 2 of Division 1.
  - (2) Life insurance.

 (3) Insurance of vessels or craft, their eargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance policies. Inland marine insurance shall be deemed to

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include insurance now or hereafter defined by statute, or by
interpretation thereof, or if not so defined or interpreted, by ruling
of the commissioner or as established by general custom of the
business, as inland marine insurance.

(4) Title insurance.

- (5) Disability insurance.
- (6) Workers' compensation insurance and insurance of any liability of employers for injuries to, or death of, employees arising out of, and in the course of, employment when this insurance is incidental to, and written in connection with, the workers' compensation insurance issued to the same employer and covering the same employer interests.
  - (7) Mortgage insurance.
- (8) Insurance transacted by county mutual fire insurers or county mutual fire reinsurers.
- SEC. 3. Section 12964 is added to the Insurance Code, to read: 12964. Beginning on January 1, 2012, and annually thereafter, the commissioner shall report to the Department of Finance all of the following:
- (a) The length of time it takes to approve and disapprove rate change applications and policy filings.
- (b) The number of department personnel necessary to comply with the time frames required by this code to fulfill these functions.
- (c) The additional personnel, if any, needed to comply with any applicable statutory time limits.
- (d) The total costs associated with approving and disapproving rate change applications and policy filings in the previous year.
- (e) The total costs associated with approving and disapproving rate change applications necessary to meet all statutory time limits.